



## 2001/2002 Copayment Report

**D**uring the 2001-2002 benefit year, **257** families enrolled in the Healthy Families Program (HFP) paid the maximum annual health benefit copayment amount of \$250. This is less than one tenth of one percent (**.082%**) of the total number of HFP families enrolled during the 2001/2002 benefit year.

### INTRODUCTION AND BACKGROUND

**Federal Requirements** Federal law (Title XXI) limits the sum of premiums plus copayment expenses to no more than 5 percent of household income. California has assured compliance with these requirements by restricting the amount of copayments for health services to no more than \$250 per family per benefit year. (Insurance Code Section 12693.615) Copayments for dental and vision services are not subject to the \$250 maximum.

**Copayment Amounts** The design of the HFP benefits package requires subscribers to pay a \$5 copayment for certain benefits at the time services are provided. Health services that require copayments include: physician office visits, prescription drugs, outpatient mental health and substance abuse services, acupuncture, chiropractic and biofeedback services. Dental services that require copayments include major procedures such as root canals, crowns and bridges. Vision services (eye examinations and prescription glasses) require copayments.

There are many benefits that are provided which do not require copayments. These health and dental services include preventative health services, immunizations, inpatient care, preventative dental care, and restorative dental procedures (fillings and x-rays).

**Monitoring Copayment Amounts** HFP subscribers keep track of the amount spent on copayments and inform health plans when they have reached the copayment maximum. Health plans then discontinue charging copayments for these families.

Participating health plans report annually on the number of families who meet the \$250 copayment maximum for the reported benefit year. Participating dental and vision plans are also required to report the number of subscribers who paid copayments even though there are no copayment maximums for these services.

**Report Purpose** This report provides information on families who reached the \$250 annual maximum health copayment during the July 1, 2001 to June 30, 2002 benefit year.

### RESULTS FOR THE 2001/2002 BENEFIT YEAR

#### **Enrollment**

The total number of HFP subscribers enrolled at any time during the 2001/2002 benefit year was **748,613**. These subscribers belonged to **311,922** families who were members of 26 health plans participating in the HFP.

#### **Aggregate Findings**

Approximately **.082 percent** of (**257**) families met the maximum health copayment during the 2001/2002 benefit year. The total number of children in these families equaled **704**.

#### **Results by Health Plan**

Of the 26 participating health plans, **10** had at least one family who reached the \$250 copayment maximum, while **16** health plans had no subscribers reaching the copayment maximum. Table 1 details the number of families reaching the maximum by plan.

#### **Trends**

In the 1999/2000 benefit year **.035 percent** of all families reached the copayment maximum. In 2000/2001, **.079 percent** reached the maximum, while 2001/2002 increased to **.082 percent**. All three years produced an insignificant number of families reaching the copayment maximum.

**Table 1 Families Reaching \$250 Maximum Copayment by Plan**

Plan Name	# of Families Reaching \$250 Health Copayment Maximum	# Children Within Families Reaching \$250 Copayment Maximum	% of Plan Enrollment Reaching the \$250 Copayment Maximum
Kaiser Permanente	113	310	.66%
Blue Shield HMO	95	260	.75%
Blue Cross HMO	20	50	.04%
Kern Health Systems	18	51	.73%
Community Health Plan	3	8	.03%
Health Plan San Mateo	2	7	.37%
Care 1 <sup>st</sup> Health Plan	2	6	.11%
Inland Empire Health Plan	2	5	.01%
Alameda Alliance for Health	1	4	.04%
Central Coast Alliance for Health	1	3	.19%

## ANALYSIS AND COMPARISONS

Below are demographic views for all children and families who reached the \$250 copayment maximum.

### Family Income

Of the **257** families that reached the \$250 health copayment maximum, **114** families paid vision copayments, **12** families paid dental copayments and **4** families paid both dental and vision copayments.

Table 2 provides the income profile of the *families who reached the \$250 health copayment limit* during the 2001/2002 benefit year.

**Table 2 Income Profile of Families Reaching Maximum Copayment**

Category	Number of Families	Average Annual Income	Total HFP Premiums plus Copayments	% of Annual Income
All Families who reached \$250 Health Copayment	<b>257</b>	<b>\$32,730</b>	<b>\$452</b>	<b>1.40%</b>
Families Who Also Paid Vision Copayments	114	\$33,702	\$465	1.42%
Families Who Also Paid Dental Copayments	12	\$32,616	\$483	1.52%
Families Who Also Paid both Dental and Vision Copayments	4	\$36,393	\$526	1.44%

Of the 257 families, 36 percent were at or below 150% fpl, 43 percent between 150% and 200% fpl and 21 percent above 200% fpl.

Of the 257 families who reached the copayment maximum, total out-of-pocket expenditures *increased* by \$26 over benefit year 2000/2001, while average incomes increased by \$607. Average out-of-pocket expense as a percent of household income was **1.40%** compared to **1.32%** in the 2000/2001 benefit year. These figures remain well below the 5% of household income limitation

### Family Size

The average number of children in a family reaching the maximum copayment limit was 2.8 and the average family size was 4.4.

### Ethnicity and Primary Language

Tables 3 and 4 below compare ethnicity and language characteristics of the families who met the \$250 annual copayment limit to those of the overall HFP population during 2001/2002 benefit year.

**Table 3 Comparison of Ethnicity of Families Reaching Maximum Copayment to those of the overall HFP Population**

Ethnicity	Families at \$250	HFP Population
Latino	52%	67%
White	29%	16%
Asian/Pacific Islander	8%	13%
African American	2%	3%
Other	9%	2%

**Table 4 Comparison of Primary Language for Families Reaching Maximum Copayment to Overall HFP Population**

Language	Families at \$250	HFP Population
English	64%	51%
Spanish	31%	41%
Chinese, Korean and Vietnamese	4%	8%
Other	1%	1%

## CONCLUSION

The copayment requirements of HFP families are within the range of out-of-pocket expenses required by federal law. No family with a household income between 150% - 200% of fpl paid 5% or more of their income for health insurance copayments. Families with household incomes below 150% fpl that reached the \$250 annual health copayment limit averaged less than **1.5%** of income for out-of-pocket expenses for premiums and copayments.